

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

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| In the Matter of |) | |
| |) | |
| Review of Regulatory Requirements for |) | CC Docket No. 01-337 |
| Incumbent LEC Broadband |) | |
| Telecommunications Services |) | |

COMMENTS OF ALCATEL

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SUMMARY OF COMMENTS

Alcatel USA, Inc. (“Alcatel”) hereby responds to the Federal Communications Commission’s (“FCC” or “Commission”) Notice of Proposed Rulemaking (“NPRM”) concerning the proper regulatory requirements for Incumbent LEC (“ILEC”) broadband services. In these Comments, Alcatel petitions the Commission to regulate the ILECs’ provision of broadband access services, such as ADSL, nondominant due to the important economic effect broadband access will have on the communications sector and the economy as a whole, due to the ILECs’ present position in this market, and due to their inability to leverage market power or otherwise adversely affect competition in the broadband access market.

The beneficial effects of widespread, competitive broadband access services on the communications sector and the economy as a whole is compelling. Widespread, competitive deployment will not only benefit the ILECs seeking regulatory relief, but such deployment will also greatly increase Internet traffic through the edge and core of the Internet, thus increasing demand for idle backbone Internet capacity. Furthermore, the benefits of broadband deployment for the economy as a whole are equally compelling.

The broadband market is clearly distinct from the legacy voice markets in which the ILECs are held to be dominant carriers. The ILECs do not possess market power in either the broadband access submarket that serves residential and small business users or the one that targets medium and large businesses. In each of these markets, vigorous facilities-based competition from other telecommunications providers or alternative

technological platforms would constrain any potential anticompetitive behavior by the ILECs or render such behavior ineffective. Continued heightened regulations of the ILECs in the broadband market is unwarranted based on Commission precedent and is retarding the level of competition needed to lower prices, increase quality, and drive broadband penetration rates in the United States.